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# News Releases

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U.S. Department of Agriculture • Office of Public Affairs

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## ANNUAL AGRICULTURAL OUTLOOK CONFERENCE

### NEW OPPORTUNITIES FOR AGRICULTURE

**Edward R. Madigan**

**U.S. Secretary of Agriculture**

This is the 68th year that people have met like this at USDA to look into the future. The Auditorium is almost full today. They tell me nearly 1,000 people may attend this week. Maybe this is a tribute to USDA's success in forecasting. Or maybe people just want to see if we get it right this time.

These conferences are meant to be packed with information and insight. Some of the best insight comes from those of you from farm and industry groups outside of Government. Without your enthusiastic participation, these meetings would not be nearly as meaningful.

I would like to recognize the stamina and the contribution of the faithful who have been at these Outlook sessions many times. Would those of you who have attended some of these sessions over a span of 10 years, please raise your hands. That doesn't mean that you had to be at every one, but let's say you are a loyal attendee over the last 10 years.

Now those who have attended some sessions over a span of 20 years; please raise your hands. Let's try a span of 30 years; raise your hands. Dare we try 40 years, anyone?

I just wanted all of you in the audience to notice—from the numbers who have attended sessions over the last 10, 20, 30, 40 years—how exciting and invigorating these sessions are and how much they contribute to a long and useful life.

If those of you who have been a loyal attendee over the last several years will come up after this session and leave us your name and address, we will give each of you a copy of the new 1991 Yearbook of Agriculture. It is being released just today. This is the first copy. The title is "Agriculture and the Environment."

This Yearbook is very timely. All of you will find this book to be a good, up-to-date, interesting report on the research and actions within agriculture to enhance water quality and promote soil

conservation . . . clean air . . . forest management . . . safe food . . . and the balanced use of natural resources.

Not only that: It is the first Yearbook of Agriculture printed with soybean-based ink, and it's on recycled paper.

The theme of this 68th Outlook Conference is "New Opportunities for Agriculture." I would like to mention just a few of these new opportunities. You might have others. I hope that you share your suggestions with us as you participate in these sessions over the next two and-a-half days.

Before getting to those domestic opportunities, let me talk to you about one of our major markets—the Soviet Union.

In early October, I spent 10 days in the Soviet Union at the request of President Bush. We looked at the immediate food needs in the Soviet Union for this winter and counseled with them on longer-term changes they might make—as they embrace a new kind of economic opportunity in a land that is going through a fundamental change in government and economic lifestyle.

The nature of that change will have a profound effect on all of us. So often, the most important thing affecting a farmer in any year happens beyond his or her own farm gate. Even beyond his or her own State. Often beyond our own shores. That's why Outlook meetings such as this are so important.

Two weeks ago on November 20, President Bush announced an additional \$1.25 billion in credit guarantees for U.S. agricultural exports to the Soviet Union. These credits are being distributed in an amount of \$600 million now—and two later allocations of \$200 million each and one of \$250 million. Added to the \$2.5 billion in guaranteed credit provided earlier, this brings the credit total to \$3.75 billion.

In addition, the President announced that the United States will make available up to \$165 million in humanitarian aid. This will be distributed wherever possible through U.S. private voluntary organizations. This credit and aid, combined with the efforts of our G-7 partners, will help carry the Soviets through the critical winter months.

President Bush also announced on November 20 that the United States will participate in five major activities designed to improve Soviet food production and distribution through private markets. You can have a part in these activities. They include:

- Setting up a model demonstration farm in the St. Petersburg area.

- Organizing wholesale markets in Kiev and Moscow.
- Establishing extension-type educational programs in Armenia, Kazakhstan, and Uzbekistan.
- Putting U.S. food business executives in 3- to 10-month assignments in Soviet food processing and distribution activities.
- And extending credit guarantees to American firms for the construction of certain kinds of commercial facilities in the Soviet Union.

You can help in this transition—with your expertise, with your suggestions, and with your support. I include the people here in the business of agricultural production, processing, and marketing who make American agriculture the most productive system the world has ever seen. I have assured President Gorbachev that you have the expertise and the will to help. We in Government will work with you to give real help to the Soviet Union. I hope you will not hold back.

This assistance to the Soviet Union has important benefits:

- It will help the Soviet people make a more orderly and positive transition to a free-market economy that will contribute to peace and our own security.
- This guaranteed credit will move U.S. farm commodities out of the U.S. market, increase our agricultural exports, and directly benefit American farmers.
- Farmers will, in turn, buy pickup trucks and consumer goods that are manufactured in urban areas, thus providing jobs and helping boost our own economy.
- This assistance will help maintain and strengthen long-term U.S. farm markets in the Soviet republics.

Our help is vital right now. USDA now estimates that the Soviet grain crop this year will reach only 175 million tons. That is more than one-fourth less than last year. That is the sharpest year-to-year drop in Soviet grain production in years. This year's shortage comes just when the Soviets have more than the usual disruptions and problems with transportation, currencies, allocations, and cross-border shipments between republics. This should be a concern to all of us.

We need to help shield this flame of freedom in the Soviet Union with our helping hands so that the winds of discontent don't blow out the candle at such a critical time. We have already helped with our substantial guaranteed credits for Soviet food purchases. Since January

1991 we have offered the Soviet Union and the republics \$4 billion in food assistance. We are ready to help within our means as we coordinate our assistance with the other industrial nations of the world.

There are other talks we are having with industrial nations—but in a different context. I'm referring to global trade.

Last month, I participated in trade talks in Europe—in Brussels, in Rome, and in The Hague—regarding negotiations in the Uruguay Round of the General Agreement on Tariffs and Trade.

Our hope is to produce and trade. It is basic to world prosperity. It is the only way that we can all grow together. Goods and services that are never produced because of lack of incentive . . . or ingenuity . . . are never shared by anyone. Goods and services that are produced and which aren't shared with others are wasted.

Without fair trade, we all lose.

The only way to determine fair rules of international trade is through an international mechanism such as the GATT.

There is no economic arena where fair trade is more important than in agriculture. Why? Because past GATT agreements have neglected fair rules of trade for agriculture. We now have in our grasp an unprecedented opportunity to reverse the tide of years of increased world protectionism in agricultural trade. Market growth is at our doorstep. It is a new opportunity for American farmers and American agriculture.

We are the most productive and competitive agricultural nation in the world. Yet since World War II we have seen country after country erect higher and higher barriers to keep out imports from U.S. farms. We have seen nation after nation develop regulations that discriminate against our farm products.

We are being shut out of world markets right now because the international rules of trade are stacked against us. If we are going to tap markets in the future, we must do whatever we can to agree to fair rules of trade now.

For five years we have fought the battle of GATT to win greater opportunity for American farmers. For the first time—in the last few weeks—we are “meaningfully engaged” in negotiations with the EC. For those five years the GATT Uruguay Round motor has been alternately racing, sputtering, and idling. The clutch has been on the floor. The vehicle has not moved. Now, at last, the clutch is out and the gears are engaged. How far . . . how fast . . . and where we end up . . . are still in contention. I can't tell you how it is going to come out. But we

are engaged and we are fighting every step of the way. Here at home, the clutch is engaged. And during my term as Secretary of Agriculture, I want to see a shift toward new crop uses.

For years we have talked about the need to increase the demand for agricultural commodities by developing new industrial uses for farm products. We have said that it would put idle land to productive use . . . create jobs in rural America . . . increase farm income . . . use renewable resources . . . reduce our dependence of foreign petroleum . . . and be more environmentally friendly.

There have been some notable successes. Ethanol and soybean-based ink, for example.

Last year, ethanol-blended gasoline used almost 400 million bushels of corn. The Department of Energy estimates that as the demand for ethanol increases, and new feedstocks become economical, the use of ethanol can be many times greater. This year soy inks are using 100 million pounds of soy oil. The potential is many times greater.

Other products are promising: such as paper from kenaf, transmission fluid from rapeseed oil, and bioplastics from starch.

And many companies are doing this: Warner Lambert, Mobil Oil, Time magazine, Cargill, and ADM. These are not rinky-dink companies. USDA should be on the cutting edge of these research activities. And we will be.

Clearly, the time has come to intensify our efforts in the area of nonfood and nonfeed crops and uses of farm products. For one thing, the needs are greater: The Clean Air Act Amendments of 1990 call for cleaner fuels, with a firm deadline. Landfill space is dwindling rapidly. Our dependence on foreign oil is growing. And the demand is more urgent for environmentally friendly, safe-to-handle biodegradable products.

Today, I am announcing a series of actions to accelerate the development of new nonfood and nonfeed crops and uses of farm products:

- We will develop a plan to put additional Department resources into research and development of new nonfood and nonfeed uses in 1992.
- We will make a comprehensive review of USDA programs to identify additional opportunities to aid in developing new uses for farm commodities.

- We will seek close industry cooperation throughout the process of research, development, and testing of products and materials: and we will step up the transfer of technology from USDA to industry and producers.
- We are expediting the establishment of the Alternative Agricultural Research and Commercialization Center and its board of directors. We published the announcement in the Federal Register last week. I will select members of that board very quickly.
- We will urge farm groups and Land-Grant Colleges and Universities to support and join us in this renewed effort to develop industrial uses for farm and forestry commodities.
- We will urge other Federal agencies to work with us to identify new market opportunities here and abroad . . . reduce or eliminate barriers to new industrial uses . . . and encourage industrial and rural business participation in this effort.
- We will create an annual Secretary of Agriculture Award to be given to an individual or organization—in either the public or private sector—that makes a major contribution to the successful development and promotion of new industrial crops and products.

We have an opportunity to help speed up these changes I have been discussing. We are helping with a strong research initiative in USDA. Success will be lower costs . . . more efficient production . . . cleaner air . . . clearer water . . . safer foods . . . better quality foods . . . a better environment . . . and a more advantaged and competitive U.S. agriculture in the fight for world markets.

The people in this audience . . . and in USDA, and the Land-Grant Universities, and private companies and organizations . . . are on today's frontier, and are shaping this new era today as we meet here. Somewhere, somewhere, in this land an important discovery is unfolding at this moment—we just don't yet know where that is. Together, we will move into that new era of opportunity for agriculture and for the Nation. This Outlook meeting is dedicated to that. We welcome you to be a part of it.

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## **PROPOSED RULE ON SUGAR, CRYSTALLINE FRUCTOSE MARKETING REGULATIONS PUBLISHED**

WASHINGTON, Nov. 27—The U.S. Department of Agriculture today asked for public comment on a proposed rule on marketing allotment regulations for sugar and crystalline fructose for fiscal years 1992-96.

The proposal addresses (1) establishment of marketing allotments; (2) adjustments due to changes in the estimates of consumption, stocks, production and imports; (3) allocation of marketing allotments; (4) adjustment of allotments and allocations; (5) assignment of deficits; (6) processor assurances; (7) establishment of proportionate shares for producers; (8) transfer and preservation of production history; (9) assessment and waiver of penalties, and (10) appeals.

The proposed rule will be published in the Dec. 2 Federal Register. Interested persons may submit written comments to Dean Ethridge, deputy administrator for program planning and development, Room 3090-S, ASCS, U.S. Department of Agriculture, Washington D.C. 20250.

Comments must be received no later than Jan. 2, 1992. Following consideration of the public comments, USDA will issue a final rule.

Robert Feist (202) 720-6789

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## **CALL FOR NOMINATIONS TO ALTERNATIVE AGRICULTURAL PRODUCTS BOARD**

WASHINGTON, Nov. 27—Secretary of Agriculture Edward Madigan today asked for nominations to a board which will help develop new nonfood, nonfeed uses of agricultural commodities.

Madigan said the 1990 Farm Bill authorized the formation of an Alternative Agricultural Research and Commercialization Board to administer a program to develop and commercialize new uses for current agricultural products as well as find new, alternative agricultural products.

“The work of the board will help focus and speed our efforts to provide new sources of income for farmers, put idled land back into production, create skilled jobs in rural communities and provide new

environmentally friendly products to benefit all Americans,’’ Madigan said.

The board, under the supervision of the secretary of agriculture, will direct the activities of a new national Alternative Agricultural Research and Commercialization Center.

The center will provide grants for research, development and demonstration projects, collect and disseminate information about state, regional and local commercialization projects and offer seed money for new alternative agricultural businesses. Congress has appropriated \$4.5 million for the center’s activities in fiscal 1992.

Madigan said the primary focus of the program will be to facilitate cooperative research, development and marketing efforts among manufacturers, financiers, universities, and private and government laboratories to help translate good research into successful products.

The board will include at least one member who is engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities, at least one member who is a producer or processor of agricultural commodities, at least one member from a scientific field relevant to the center’s activities and one member from USDA.

It also will include at least two members with expertise in applied research relating to the development or commercialization of new nonfood, nonfeed products to be appointed from a list nominated by the National Science Foundation and two members with financial and management expertise from a list nominated by the secretary of commerce.

Members will be appointed by the secretary of agriculture from the pool of nominees.

Nominations should be submitted to Mark Dungan, Office of the Secretary, USDA, Washington D.C. 20250.

Roger Runningen (202) 720-4623  
Eric Ruff (202) 720-6850

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## **USDA ANNOUNCES 1992 ELS COTTON LOAN RATE AND ACREAGE REDUCTION PROGRAM**

WASHINGTON, Nov. 29—Acting Secretary of Agriculture Ann Veneman today announced the 1992 loan rate for extra long staple (ELS) cotton will be 88.15 cents per pound and the acreage reduction program requirement will be 5 percent.

The Agricultural Act of 1949, as amended, requires USDA to announce the 1992 ELS cotton loan rate no later than Dec. 1. The 1992 loan rate is equal to 85 percent of the average price received by ELS producers during three years of the five-year period ending July 31, 1991, excluding the years in which the average was the highest and the lowest. The established “target” price, which equals 120 percent of the loan rate, will be \$1.058 per pound.

The 1949 Act authorizes the establishment of a limitation on the acreage planted to ELS cotton if it is determined that the total supply, in the absence of the limitation, will be excessive. In making the limitation determination, sufficient carryover must be ensured to maintain reasonable and stable prices and to meet a national emergency.

Other details of the 1992 ELS cotton program will be announced later.

Robert Feist (202) 720-6789

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## **USDA DECERTIFIES HORSE ASSOCIATION FROM ENFORCING THE HORSE PROTECTION ACT**

WASHINGTON, Nov. 29—The U.S. Department of Agriculture has decertified the Designated Qualified Persons (DQP) program of the California State Horsemen's Association, Santa Rosa, Calif., because of failure to meet program standards.

DQPs inspect horses at shows to ensure compliance with the Horse Protection Act. USDA's Animal and Plant Health Inspection Service administers the DQP program and certifies horse industry organizations to train and license DQPs.

“This horse industry association has failed to comply with the training, documentation and organizational structure requirements of the DQP program in accordance with the Horse Protection Act (HPA),” said Joan

Arnoldi, deputy administrator of the APHIS' regulatory enforcement and animal care program.

Horse show managers that use the DQPs of a decertified industry organization could be held accountable, along with the offending individuals, for violations of the HPA, Arnoldi said.

The organization can appeal the decertification by written request to Arnoldi and can also request an oral hearing. The organization may choose to appeal, but it will remain decertified unless APHIS officially reverses the decision.

As part of the DQP certification programs, APHIS provides training and information to all industry organizations to promote uniformity and thoroughness in inspection activities. APHIS also reviews the organization's DQP management and training reports and evaluates DQP inspection procedures at horse shows.

The Horse Protection Act prohibits the showing, selling, exhibition or transport of sored horses. The Act defines soring as the use of irritants, devices or physical methods on a horse's legs to cause pain. Soring is used to accentuate the high-stepping action of gaited horses.

Kendra Pratt (301) 436-4898

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## **GENE EDITING MAY SPEED ARRIVAL OF ENGINEERED FOODS**

WASHINGTON, Dec. 1—Tomorrow's gene-engineered food crops may garner government approval more quickly now that two U.S. Department of Agriculture scientists have learned to "edit" marker genes out of the crops.

"We have to use marker genes to know if we've successfully given plant cells important new genes to improve traits like food flavor or the plant's resistance to insects. But once we know this, the marker is a hindrance, like excess words in a sentence," said geneticist David W. Ow of USDA's Agricultural Research Service.

"By deleting the markers after they've done their job, we can cut the number of genes federal regulators must scrutinize to ensure a geneengineered tomato or other food will be safe to eat," he explained. Typically, cells are given a marker gene linked to each useful one.

Ow and colleague Emily C. Dale are apparently the first to report genetically engineered plants that are free of marker genes. They relied on an enzyme from a natural microorganism to do the genetic snipping, according to their report in the Dec. 1 Proceedings of the National Academy of Sciences USA.

Ow and Dale developed the method at the Plant Gene Expression Center operated in Albany, Calif., by ARS and the University of California.

In genetic engineering, only one out of a million plant cells will typically accept a new gene, Ow said. Scientists use marker genes to find these rare cells. But with the new method, “the only new gene that remains is the one you want the plant to keep,” he said.

“Plus, when the marker gene is removed, the same marker can be used over and over again in giving plants a series of useful genes. Our present choices of marker genes are very limited, so it’s a tremendous advantage to be able to go back and re-use the same one each time we want to add another new trait to a plant.”

The scientists perfected the method with one of the most commonly used markers, a gene that makes a plant cell able to ward off an antibiotic.

“When cells are exposed to the antibiotic,” Ow explained, “only those that took up the marker can withstand the antibiotic. Those same cells—perhaps only one or two of every million—are the only ones having the useful trait. So, they’re the only ones we want to nurture into whole plants for lab, greenhouse and field tests.”

To delete marker genes, the scientists build two types of parent plants. One has both the useful and the marker gene, with the marker flanked by bits of genetic material that the enzyme can easily cut. The other parent plant contains the “editing” gene that makes this enzyme.

When these parents are crossed with each other, the editing gene cuts away the marker gene. Crossing their offspring eliminates the editing gene itself, following natural laws of inheritance. That leaves some offspring with just the new gene for the useful trait inside, Ow said.

Marcia Wood (510) 559-6070

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## **CCC INTEREST RATE FOR DECEMBER LOWERED TO 5 1/8 PERCENT**

WASHINGTON, Dec. 2—Commodity loans disbursed in December by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 5 1/8 percent interest rate, according to Keith Bjerke, executive vice president of the CCC.

The 5 1/8 percent rate is down from November's 5 3/8 percent and reflects the interest rate charged CCC by the U.S. Treasury in December.

Robert Feist (202) 720-6789

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## **SHIFT WORK HOURS ARE TOUGH ON RATS' CHOLESTEROL LEVELS**

WASHINGTON, Dec. 3—Subjecting rats to changing light-dark cycles—simulating shift work—significantly raised their cholesterol, according to U.S. Department of Agriculture and University of North Dakota researchers.

“The findings may help explain why, among humans, shift workers appear to have more cardiovascular disease than day workers,” said Leslie M. Klevay, a research medical officer with USDA's Agricultural Research Service in Grand Forks, N.D.

Klevay and Edward S. Halas, a University of North Dakota psychologist, changed light-dark cycles every two to four days. They studied the effects of these changes and of low dietary copper, alone and in combination. Copper deficiency is known to increase rats' cholesterol.

After six weeks, cholesterol levels were 24 percent higher in rats that got eight hours of light randomly beginning at 8 a.m., 4 p.m. or midnight. That increase was compared to control animals receiving 12 hours of light and 12 hours of darkness on a constant schedule.

“This suggests bad news for people who work variable shifts,” said Halas.

Cholesterol levels were 70 percent higher for the animals subjected to both the random light-dark schedule and a diet containing only 40 percent of the copper required by rats.

And levels were 33 percent higher in the animals subjected only to the low-copper diet. Halas said that rats normally are resistant to dietary

manipulations that increase cholesterol except for those that impair their copper metabolism.

“This is one of the few times in research where two risk factors, in isolation and in combination, were able to elevate cholesterol levels,” Klevay said.

Swedish researchers earlier had reviewed epidemiological studies of workers on variable shifts. They found evidence that shift work is related to cardiovascular disease.

And U.S. researchers have reported that the natural day-night rhythms in heart rate, respiration and metabolism never readjust in night workers. That’s because they don’t get enough light at night or darkness during the day to “flip the switch,” Halas said.

Not only does shift work disrupt these circadian rhythms, he said, but it also may increase risk factors for cardiovascular disease. “Why shift work seems to increase risk is not known,” Klevay said. “The fact that it proved to be such a potent stressor in rats warrants further studies in animals and humans.”

As for copper’s role, he said “copper deficiency is the only nutritional insult that has increased blood pressure and cholesterol, impaired glucose metabolism and produced potentially harmful changes in electrocardiograms in men and women in controlled experiments.”

He estimated that two-thirds of the U.S. population consumes less than 1.5 milligrams of copper per day—the low end of the suggested safe and adequate range of 1.5 to 3 mg/day. And one-third gets less than 1 mg/day.

The richest sources of copper are oysters, liver, cocoa, blackstrap molasses and black pepper. Lobster, nuts, seeds and whole wheat are also good sources.

Klevay has identified more than 60 anatomical, chemical and physiological similarities between animals deficient in copper and people with heart disease.

Judy McBride (301) 344-3932

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## **U.S. TOBACCO INDUSTRY TO BUY 497.2 MILLION LBS OF 1992 FLUE-CURED TOBACCO**

WASHINGTON, Dec. 3—U.S. cigarette manufacturers plan to purchase 497.2 million pounds (farm sales weight) of 1992-crop flue-cured tobacco, a U.S. Department of Agriculture official said today.

Keith Bjerke, administrator of USDA's Agricultural Stabilization and Conservation Service, said provisions of the Agricultural Adjustment Act of 1938 require major domestic cigarette manufacturers to report annually to USDA their intended purchases of flue-cured tobacco from U.S. auction markets and producers.

Data on intended purchases is used to determine, in part, USDA's annual flue-cured tobacco marketing quota. The other two factors determining the quota are average annual flue-cured exports for the preceding three years and the amount of tobacco needed to attain reserve stock levels. The 1992 quota will be announced by Dec. 15.

Bjerke said annual flue-cured exports for 1989, 1990 and 1991 averaged 393.7 million pounds, up 13.4 million pounds from the 1988-90 average.

In 1991, manufacturers' intended purchases totaled 483.5 million pounds.

Robert Feist (202) 720-6789

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## **USDA SEEKS COMMENTS ON 1992 SUPPORT PRICES FOR WOOL AND MOHAIR**

WASHINGTON, Dec. 4—The U.S. Department of Agriculture's Commodity Credit Corporation today requested public comment on how to calculate the support price for wool on unshorn lambs and the level of support for mohair for the 1992 marketing year.

The National Wool Act of 1954, as amended, provides that the support price for pulled wool shall be set at a level relative to the support price for shorn wool to maintain normal marketing practices.

Pulled wool is the wool removed from the pelt of a slaughtered sheep. This provision has been implemented through payments based on the hundredweight of live, unshorn lambs marketed.

The law also provides that mohair be supported at a level necessary to maintain approximately the same percentage of parity as for shorn wool. The support price shall be set at a level not more than 15 percent above or below the comparable percentage of parity at which shorn wool is supported.

The shorn wool support price is based on a formula prescribed in the law. Based on the current reported parity index, the 1992 shorn wool support price will be \$1.97 per pound (grease basis).

A preliminary regulatory impact analysis on the options is available from: Director, Commodity Analysis Division, USDA, ASCS, Room 3741-S, P.O. Box 2415, Washington, D.C. 20013 or by calling (202) 720-6734.

Details will appear in the Dec. 6 Federal Register. Comments must be received by the Commodity Analysis Division Director by Jan. 6 and will be available for public inspection in Room 3760 of USDA's South Building during regular business hours.

Robert Feist (202) 720-6789

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## **1991 WHEAT, BARLEY, OATS PRODUCERS TO RECEIVE PAYMENTS**

WASHINGTON, Dec. 4—Secretary of Agriculture Edward Madigan announced today that approximately \$1.45 billion in deficiency and 0/92 payments will be made to eligible producers of the 1991 wheat, barley and oats crops.

Wheat producers will receive about \$1.3 billion, barley producers about \$140 million (before assessment) and oats producers about \$20 million.

Madigan said the payments will be made in cash through Agricultural Stabilization and Conservation Service county offices.

Deficiency payments are made under the 1991 wheat, barley and oats programs when the national weighted average market prices received by producers during the first five months of the marketing year (June through October) are below established target price levels.

Deficiency payment rates are based upon the difference between the target price for the commodity and the higher of the five-month average market price or the basic price support rate.

If technical changes to the 1990 Farm Bill are enacted, wheat producers enrolled in the 1991 winter wheat option would have their deficiency payments based upon the difference between the target price and the five-month average market price, plus 10 cents.

	Wheat	Winter Wheat Option	Barley	Oats
	(\$ per bushel)			
A. Target	4.00	4.00	2.36	1.45
B. Basic Loan Rate	2.52	2.52	1.54	.97
C. 5-Month Market Price	2.65	N/A	1.74	1.10
D. 5-Month Market Price + 10 cents	N/A	2.75	N/A	N/A
E. 5-Month Pay Rate (A-C) or (A-D)	1.35	1.25	0.62	0.35
F. Advance Deficiency Payment	.588	.56	.124	.06
G. Net 5-Month Payment (E-F)	0.762	0.69	0.496	0.29

(N/A = Not Applicable)

Producers who enrolled in the wheat, barley and oats 0/92 programs were guaranteed a minimum payment rate of \$1.47 per bushel for wheat, \$1.40 for wheat producers who selected the winter wheat option, \$0.47 for barley and \$0.15 for oats. Wheat producers will receive this guaranteed rate less any advance in 0/92 payments they have already received. Barley and oats producers will receive the actual deficiency payment rate less any advance payments.

Eligible wheat (including winter wheat), barley and oats producers will receive final (Findley) payments in July 1992 if the national average market prices received by producers for the entire marketing year (June 1991 through May 1992) for these commodities are below their respective basic price support rates.

Barley deficiency payments will be reduced for producers subject to the malting barley assessment. The reduction will be five percent of the state (if available) or national weighted average malting barley price received

by producers for the first five months of the marketing year. The state and national malting barley prices and assessment rates follow:

	Five-Month Price Rate	Assessment
	(\$ per bushel)	
Idaho	3.33	0.1665
Minnesota	1.63	0.0815
Montana	3.15	0.1575
North Dakota	1.82	0.0910
South Dakota	1.82	0.0910
U.S.	2.53	0.1265

Bruce Merkle (202) 720-8206

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